

House Amendment 1623

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1 1 Amend the Senate amendment, H=1615, to House File
1 2 692, as amended, passed, and reprinted by the House,
1 3 as follows:
1 4 #1. Page 5, line 23, by striking the word <or>.
1 5 #2. By striking page 23, line 23, through page 24,
1 6 line 14, and inserting the following:
1 7 <a. On all taxable income from
1 8 zero through one thousand dollars,
1 9 ~~thirty-six hundredths of one~~
1 10 ~~percent.~~:35% .34% .32%
1 11 b. On all taxable income exceeding
1 12 one thousand dollars but not
1 13 exceeding two thousand dollars,
1 14 ~~seventy-two hundredths of one~~
1 15 ~~percent.~~:70% .68% .65%
1 16 c. On all taxable income exceeding
1 17 two thousand dollars but not
1 18 exceeding four thousand dollars,
1 19 ~~two and forty-three hundredths~~
1 20 ~~percent.~~: 2.36% 2.30% 2.19%
1 21 d. On all taxable income exceeding
1 22 four thousand dollars but not
1 23 exceeding nine thousand dollars,
1 24 ~~four and one-half percent.~~: 4.37% 4.27% 4.05%
1 25 e. On all taxable income exceeding
1 26 nine thousand dollars but not
1 27 exceeding fifteen thousand
1 28 dollars, ~~six and twelve hundredths~~
1 29 ~~percent.~~: 5.94% 5.80% 5.51%
1 30 f. On all taxable income exceeding
1 31 fifteen thousand dollars but not
1 32 exceeding twenty thousand
1 33 dollars, ~~six and forty-eight hundredths~~
1 34 ~~percent.~~: 6.29% 6.14% 5.84%
1 35 g. On all taxable income exceeding
1 36 twenty thousand dollars but not
1 37 exceeding thirty thousand
1 38 dollars, ~~six and eight-tenths~~
1 39 ~~percent.~~: 6.60% 6.45% 6.13%
1 40 h. On all taxable income exceeding
1 41 thirty thousand dollars but not
1 42 exceeding forty-five thousand
1 43 dollars, ~~seven and ninety-two hundredths~~
1 44 ~~percent.~~: 7.68% 7.51% 7.14%
1 45 i. On all taxable income exceeding
1 46 forty-five thousand dollars, ~~eight~~
1 47 ~~and ninety-eight hundredths~~
1 48 ~~percent.~~: 8.71% 8.51% 8.09%>
1 49 #3. By striking page 24, line 28, through page 25,
1 50 line 19, and inserting the following:
2 1 <a. On all taxable income from
2 2 zero through one thousand dollars,
2 3 ~~thirty-six hundredths of one~~
2 4 ~~percent.~~:31%
2 5 b. On all taxable income exceeding
2 6 one thousand dollars but not
2 7 exceeding two thousand dollars,
2 8 ~~seventy-two hundredths of one~~
2 9 ~~percent.~~:62%
2 10 c. On all taxable income exceeding
2 11 two thousand dollars but not
2 12 exceeding four thousand dollars,
2 13 ~~two and forty-three hundredths~~
2 14 ~~percent.~~: 2.09%
2 15 d. On all taxable income exceeding
2 16 four thousand dollars but not
2 17 exceeding nine thousand dollars,
2 18 ~~four and one-half percent.~~: 3.87%
2 19 e. On all taxable income exceeding
2 20 nine thousand dollars but not
2 21 exceeding fifteen thousand

2 22 dollars, six and twelve hundredths
2 23 percent.: 5.26%
2 24 f. On all taxable income exceeding
2 25 fifteen thousand dollars but not
2 26 exceeding twenty thousand
2 27 dollars, ~~six and forty-eight hundredths~~
2 28 percent.: 5.57%
2 29 g. On all taxable income exceeding
2 30 twenty thousand dollars but not
2 31 exceeding thirty thousand
2 32 dollars, ~~six and eight-tenths~~
2 33 percent.: 5.84%
2 34 h. On all taxable income exceeding
2 35 thirty thousand dollars but not
2 36 exceeding forty-five thousand
2 37 dollars, ~~seven and ninety-two hundredths~~
2 38 percent.: 6.80%
2 39 i. On all taxable income exceeding
2 40 forty-five thousand dollars, ~~eight~~
2 41 ~~and ninety-eight hundredths~~
2 42 percent.: 7.71%>
2 43 #4. Page 26, line 12, by striking the words <two
2 44 and five> and inserting the following: <one and
2 45 eighty-five>.
2 46 #5. Page 26, line 15, by striking the word <sixty=
2 47 five> and inserting the following: <seventy-five>.
2 48 #6. Page 26, line 17, by striking the word <nine=
2 49 tenths> and inserting the following: <ninety-nine
2 50 hundredths>.
3 1 #7. By striking page 39, line 5 through page 65,
3 2 line 1 and inserting the following:
3 3 <DIVISION ____
3 4 GROW IOWA VALUES BOARD AND FUND
3 5 Sec. _____. Section 15.108, subsection 9, Code 2003,
3 6 is amended by adding the following new paragraph:
3 7 NEW PARAGRAPH. g. Administer the marketing
3 8 strategy selected pursuant to section 15G.108.
3 9 Sec. _____. NEW SECTION. 15G.101 DEFINITIONS.
3 10 As used in this chapter, unless the context
3 11 otherwise requires:
3 12 1. "Board" means the grow Iowa values board
3 13 established in section 15G.102.
3 14 2. "Department" means the Iowa department of
3 15 economic development created in section 15.105.
3 16 3. "Director" means the director of the department
3 17 of economic development.
3 18 4. "Fund" means the grow Iowa values fund created
3 19 in section 15G.107.
3 20 5. "Grow Iowa values geographic regions" means the
3 21 geographic regions defined in section 15G.105.
3 22 Sec. _____. NEW SECTION. 15G.102 GROW IOWA VALUES
3 23 BOARD.
3 24 1. The grow Iowa values board is established
3 25 consisting of eleven voting members and four ex
3 26 officio, nonvoting members. The grow Iowa values
3 27 board shall be located for administrative purposes
3 28 within the department and the director shall provide
3 29 office space, staff assistance, and necessary supplies
3 30 and equipment for the board. The director shall
3 31 budget moneys to pay the compensation and expenses of
3 32 the board. In performing its functions, the board is
3 33 performing a public function on behalf of the state
3 34 and is a public instrumentality of the state.
3 35 2. a. The eleven voting members of the board
3 36 shall be appointed by the governor, subject to
3 37 confirmation by the senate.
3 38 b. The four ex officio, nonvoting members shall be
3 39 appointed as follows:
3 40 (1) One member appointed by the president of the
3 41 senate.
3 42 (2) One member appointed by the minority leader of
3 43 the senate.
3 44 (3) One member appointed by the speaker of the
3 45 house of representatives.
3 46 (4) One member appointed by the minority leader of
3 47 the house of representatives.
3 48 c. All appointments shall comply with sections
3 49 69.16 and 69.16A.
3 50 d. At least one member of the board shall be from
4 1 each grow Iowa values geographic region.
4 2 e. Each of the following areas of expertise shall

4 3 be represented by at least one member of the board who
4 4 has professional experience in that area of expertise:
4 5 (1) Finance and investment banking.
4 6 (2) Advanced manufacturing.
4 7 (3) Statewide agriculture.
4 8 (4) Life sciences.
4 9 (5) Small business development.
4 10 (6) Information technology.
4 11 (7) Economics.
4 12 (8) Labor.
4 13 (9) Marketing.
4 14 (10) Entrepreneurship.
4 15 f. At least nine voting members of the board shall
4 16 be actively employed in the private, for-profit sector
4 17 of the economy.
4 18 g. The board membership shall be balanced between
4 19 representation by employers with less than two hundred
4 20 employees and employers with two hundred or more
4 21 employees.
4 22 3. The chairperson and vice chairperson shall be
4 23 elected by the voting members of the board from the
4 24 membership of the board. In the case of the absence
4 25 or disability of the chairperson and vice chairperson,
4 26 the voting members of the board shall elect a
4 27 temporary chairperson by a majority vote of those
4 28 voting members who are present and voting, provided a
4 29 quorum is present.
4 30 4. The members of the board shall be appointed to
4 31 three-year staggered terms and the terms shall
4 32 commence and end as provided in section 69.19. If a
4 33 vacancy occurs, a successor shall be appointed in the
4 34 same manner and subject to the same qualifications as
4 35 the original appointment to serve the unexpired term.
4 36 5. A majority of the voting members of the board
4 37 constitutes a quorum.
4 38 6. A member of the board shall abstain from voting
4 39 on the provision of financial assistance to a project
4 40 which is located in the county in which the member of
4 41 the board resides.
4 42 7. The members of the board are entitled to
4 43 receive reimbursement for actual expenses incurred
4 44 while engaged in the performance of official duties.
4 45 A board member may also be eligible to receive
4 46 compensation as provided in section 7E.6.
4 47 Sec. _____. NEW SECTION. 15G.103 BOARD DUTIES.
4 48 The board shall do all of the following:
4 49 1. Organize.
4 50 2. Receive advice and recommendations from the due
5 1 diligence committee, the economic development
5 2 marketing board, and the grow Iowa values review
5 3 commission.
5 4 3. Assist the department in implementing programs
5 5 and activities in a manner designed to achieve the
5 6 goals set out in section 15G.106.
5 7 4. By December 15 of each year, submit a written
5 8 report to the general assembly reviewing the
5 9 activities of the board during the calendar year. The
5 10 report shall include information necessary for the
5 11 review of the goals and performance measures set out
5 12 in section 15G.106. State agencies and other entities
5 13 receiving moneys from the fund shall cooperate with
5 14 and assist the board in compilation of the report.
5 15 5. Adopt administrative rules pursuant to chapter
5 16 17A necessary to administer this chapter. This
5 17 delegation shall be construed narrowly.
5 18 6. Adopt a strategic plan pursuant to section
5 19 8E.204 by July 1, 2004.
5 20 Sec. _____. NEW SECTION. 15G.104 DUE DILIGENCE
5 21 COMMITTEE.
5 22 1. A due diligence committee is established
5 23 consisting of five members and is located for
5 24 administrative purposes within the department. The
5 25 director of the department shall provide office space,
5 26 staff assistance, and necessary supplies and equipment
5 27 for the committee. The director shall budget moneys
5 28 to pay the compensation and expenses of the committee.
5 29 In performing its functions, the committee is
5 30 performing a public function on behalf of the state
5 31 and is a public instrumentality of the state.
5 32 2. a. Membership of the due diligence committee
5 33 shall consist of five voting members of the grow Iowa

5 34 values board elected annually by the voting members of
5 35 the board. Committee members shall have expertise in
5 36 the areas of banking and entrepreneurship.

5 37 b. The chairperson and vice chairperson of the
5 38 committee shall be elected by and from the committee
5 39 members. The terms of the members shall commence and
5 40 end as provided by section 69.19. If a vacancy
5 41 occurs, a successor shall be appointed in the same
5 42 manner and subject to the same qualifications as the
5 43 original appointment to serve the unexpired term. A
5 44 majority of the committee constitutes a quorum.

5 45 3. The committee, after a thorough review, shall
5 46 determine whether a proposed project using moneys from
5 47 the grow Iowa values fund is practical and shall
5 48 provide recommendations to the grow Iowa values board
5 49 regarding any moneys proposed to be expended from the
5 50 grow Iowa values fund, with the exception of moneys
6 1 appropriated for purposes of the loan and credit
6 2 guarantee program and regarding whether a proposed
6 3 project is practical. The recommendations shall be
6 4 based on whether the expenditure would make the
6 5 achievement of the goals in accordance with the
6 6 performance measures set out in section 15G.106 more
6 7 likely. The recommendations may include conditions or
6 8 that a proposed expenditure be rejected.

6 9 4. The members of the committee are entitled to
6 10 receive reimbursement for actual expenses incurred
6 11 while engaged in the performance of official duties.
6 12 A committee member may also be eligible to receive
6 13 compensation as provided in section 7E.6.

6 14 Sec. _____. NEW SECTION. 15G.104A GROW IOWA VALUES
6 15 REVIEW COMMISSION.

6 16 1. A grow Iowa values review commission is
6 17 established consisting of three members and is located
6 18 for administrative purposes within the office of the
6 19 auditor of state. The auditor of state shall provide
6 20 office space, staff assistance, and necessary supplies
6 21 and equipment for the review commission. The auditor
6 22 of state shall budget moneys to pay the compensation
6 23 and expenses of the commission, including the actual
6 24 expenses of the auditor of state incurred while
6 25 engaged in the performance of official commission
6 26 duties. In performing its functions, the review
6 27 commission is performing a public function on behalf
6 28 of the state and is a public instrumentality of the
6 29 state.

6 30 2. Membership of the review commission shall
6 31 include the auditor of state, one member appointed by
6 32 the governor subject to confirmation by the senate,
6 33 and one member appointed by the legislative council.
6 34 The members appointed by the governor and the
6 35 legislative council shall possess experience and
6 36 expertise in the field of economics. The appointments
6 37 shall comply with sections 69.16 and 69.16A. The
6 38 chairperson of the review commission shall be the
6 39 auditor of state. The members shall be appointed to
6 40 three-year staggered terms and the terms shall
6 41 commence and end as provided by section 69.19. If a
6 42 vacancy occurs, a successor shall be appointed in the
6 43 same manner and subject to the same qualifications as
6 44 the original appointment to serve the unexpired term.
6 45 A majority of the review commission constitutes a
6 46 quorum.

6 47 3. The review commission shall analyze all annual
6 48 reports of the grow Iowa values board for purposes of
6 49 determining if the goals and performance measures set
6 50 out in section 15G.106 have been met. By January 1,
7 1 2007, the review commission shall submit a report to
7 2 the grow Iowa values board, the department, and the
7 3 general assembly. The report shall include findings,
7 4 itemized by grow Iowa values geographic regions,
7 5 regarding whether the goals and performance measures
7 6 were met. The report shall also include
7 7 recommendations regarding the continuation,
7 8 elimination, or modification of any programs receiving
7 9 moneys from the grow Iowa values fund and whether
7 10 moneys should continue to be appropriated to and from
7 11 the grow Iowa values fund. The recommendations shall
7 12 be based on whether the goals in accordance with the
7 13 performance measures are being achieved.

7 14 4. The members of the commission, including the

7 15 auditor of state, are entitled to receive
7 16 reimbursement for actual expenses incurred while
7 17 engaged in the performance of official duties. A
7 18 commission member may also be eligible to receive
7 19 compensation as provided in section 7E.6.
7 20 Sec. _____. NEW SECTION. 15G.105 GROW IOWA VALUES
7 21 GEOGRAPHIC REGIONS.
7 22 For purposes of applying the goals and performance
7 23 measurements, the state shall be divided into five
7 24 grow Iowa values geographic regions. The regions
7 25 shall be the following:
7 26 1. The northwest region shall include the counties
7 27 of Lyon, Osceola, Dickinson, Emmet, Kossuth,
7 28 Winnebago, Sioux, O'Brien, Clay, Palo Alto, Hancock,
7 29 Plymouth, Cherokee, Buena Vista, Pocahontas, Humboldt,
7 30 Wright, Woodbury, Ida, Sac, Calhoun, Webster, and
7 31 Hamilton.
7 32 2. The northeast region shall include the counties
7 33 of Worth, Mitchell, Howard, Winneshiek, Allamakee,
7 34 Cerro Gordo, Floyd, Chickasaw, Fayette, Clayton,
7 35 Franklin, Butler, Bremer, Hardin, Grundy, Black Hawk,
7 36 Buchanan, Delaware, Dubuque, Tama, Benton, Linn,
7 37 Jones, and Jackson.
7 38 3. The southeast region shall include the counties
7 39 of Poweshiek, Iowa, Johnson, Cedar, Clinton, Scott,
7 40 Muscatine, Mahaska, Keokuk, Washington, Louisa,
7 41 Monroe, Wapello, Jefferson, Henry, Des Moines,
7 42 Appanoose, Davis, Van Buren, and Lee.
7 43 4. The southwest region shall include the counties
7 44 of Monona, Crawford, Carroll, Greene, Harrison,
7 45 Shelby, Audubon, Guthrie, Pottawattamie, Cass, Adair,
7 46 Mills, Montgomery, Adams, Union, Clarke, Lucas,
7 47 Fremont, Page, Taylor, Ringgold, Decatur, and Wayne.
7 48 5. The central region shall include the counties
7 49 of Boone, Story, Marshall, Dallas, Polk, Jasper,
7 50 Madison, Warren, and Marion.
8 1 Sec. _____. NEW SECTION. 15G.106 GOALS ==
8 2 PERFORMANCE MEASURES.
8 3 1. In performing the duties provided in this
8 4 chapter, chapter 15, and chapter 15E, the grow Iowa
8 5 values board, the due diligence committee, the
8 6 economic development marketing board, the grow Iowa
8 7 values review commission, and the department shall
8 8 achieve the goals of expanding and stimulating the
8 9 state economy, increasing the wealth of Iowans, and
8 10 increasing the population of the state. For purposes
8 11 of this section, "upper midwest region" includes the
8 12 states of Iowa, Kansas, Minnesota, Missouri, Nebraska,
8 13 North Dakota, and South Dakota.
8 14 2. Goal achievement shall be examined on a
8 15 regional basis using the grow Iowa values geographic
8 16 regions on a statewide basis. Family farm performance
8 17 indicators shall be calculated separately. The
8 18 performance of the grow Iowa values geographic regions
8 19 shall be compared to the performance of the state, the
8 20 upper midwest region, and the United States. The
8 21 baseline year shall be the calendar year 2002. In
8 22 each grow Iowa values geographic region, the goal
8 23 shall be to increase the baseline performance measure
8 24 of Iowa's gross state product at a rate equal to or
8 25 greater than the national economy.
8 26 3. a. In determining whether the goal of
8 27 expanding and stimulating the state economy has been
8 28 met, and using the calendar year 2002 as a baseline,
8 29 performance measures shall be considered, including
8 30 but not limited to the following, on a statewide basis
8 31 or of those businesses that receive moneys originating
8 32 from the grow Iowa values fund, as appropriate:
8 33 (1) A net increase in a business's supplier
8 34 network.
8 35 (2) A net increase in business start-ups.
8 36 (3) A net increase in business expansion.
8 37 (4) A net increase in business modernization.
8 38 (5) A net increase in attracting new businesses to
8 39 the state.
8 40 (6) A net increase in business retention.
8 41 (7) A net increase in job creation and retention.
8 42 (8) A decrease in Iowa of the ratio of the
8 43 government employment as a percentage share of the
8 44 total employment in Iowa at a rate at least equal to
8 45 the ratio of the upper midwest region.

8 46 b. By December 15 of each year, the department
8 47 shall submit a report to the grow Iowa values review
8 48 commission and the grow Iowa values board that
8 49 identifies information pertinent to the performance
8 50 measures in paragraph "a", subparagraphs (3), (4), and
9 1 (6), that the department gains through interviews with
9 2 businesses in the state that close all or a portion of
9 3 operations in the state. By December 15 of each year,
9 4 based on the same interviews, the department shall
9 5 submit a report to the general assembly providing
9 6 suggested amendments to the Code of Iowa and the Iowa
9 7 administrative code designed to stimulate and expand
9 8 the state's economy.

9 9 c. By December 15 of each year the department
9 10 shall submit a report to the grow Iowa values review
9 11 commission and the grow Iowa values board that
9 12 identifies prospective lost business development
9 13 opportunities information pertinent to the performance
9 14 measures in paragraph "a", subparagraphs (2) and (5),
9 15 which indicate that the state has not been successful
9 16 in the performance measures in paragraph "a",
9 17 subparagraphs (2) and (5).

9 18 d. For purposes of the performance measure in
9 19 paragraph "a", subparagraph (7), the department of
9 20 economic development, in consultation with the
9 21 department of workforce development and the auditor of
9 22 state, shall determine average annual job creation and
9 23 retention rates based on the ten years prior to 2003,
9 24 for the state and the upper midwest region. During
9 25 the fiscal years beginning July 1, 2003, July 1, 2004,
9 26 and July 1, 2005, the department of economic
9 27 development shall report the job creation and
9 28 retention rate of those businesses that receive moneys
9 29 originating from the grow Iowa values fund and the job
9 30 creation and retention rate of those businesses that
9 31 do not receive moneys originating from the grow Iowa
9 32 values fund. The ten-year average annual job creation
9 33 and retention rate shall be compared to the job
9 34 creation and retention rates determined under this
9 35 paragraph for the fiscal years beginning July 1, 2003,
9 36 July 1, 2004, and July 1, 2005. The department of
9 37 economic development shall assist the department of
9 38 workforce development in maintaining detailed
9 39 employment statistics on businesses that receive
9 40 moneys originating from the grow Iowa values fund, on
9 41 businesses that do not receive moneys originating from
9 42 the grow Iowa values fund, and on industries in Iowa
9 43 that those businesses represent. The auditor of state
9 44 shall audit the reliability and validity of the
9 45 statistics compiled pursuant to this paragraph.

9 46 4. In determining whether the goal of increasing
9 47 the wealth of Iowans has been met, the following
9 48 earning performance measures shall be considered:

9 49 a. The per capita personal income in Iowa shall
9 50 equal or exceed the average per capita personal income
10 1 for the upper midwest region.

10 2 b. The average earnings per job in Iowa shall
10 3 equal or exceed the average earnings per job in the
10 4 upper midwest region.

10 5 c. The average manufacturing earnings per employee
10 6 in Iowa shall equal or exceed the average
10 7 manufacturing earnings per employee in the upper
10 8 midwest region.

10 9 d. The average service earnings per employee in
10 10 Iowa shall equal or exceed the average service
10 11 earnings per employee in the upper midwest region.

10 12 e. The average earnings per employee in the
10 13 financial, insurance, and real estate industries in
10 14 Iowa shall equal or exceed the average earnings per
10 15 employee in the financial, insurance, and real estate
10 16 industries in the upper midwest region.

10 17 5. In determining whether the goal of increasing
10 18 the population of the state has been met, the
10 19 following performance measures shall be considered:

10 20 a. Using the calendar year 2002 as a baseline
10 21 year, a net increase in the retention of Iowa high
10 22 school graduates that are employed in the Iowa
10 23 workforce following a higher education degree.

10 24 b. The increase in higher education graduates.

10 25 Sec. ____ NEW SECTION. 15G.107 GROW IOWA VALUES
10 26 FUND.

10 27 A grow Iowa values fund is created in the state
10 28 treasury under the control of the grow Iowa values
10 29 board consisting of moneys appropriated to the grow
10 30 Iowa values board. Moneys in the fund are not subject
10 31 to section 8.33. Notwithstanding section 12C.7,
10 32 interest or earnings on moneys in the fund shall be
10 33 credited to the fund. The fund shall be administered
10 34 by the grow Iowa values board, which shall make
10 35 expenditures from the fund consistent with this
10 36 chapter and pertinent Acts of the general assembly.
10 37 Any financial assistance provided using moneys from
10 38 the fund may be provided over a period of time of more
10 39 than one year. Payments of interest, repayments of
10 40 moneys loaned pursuant to this chapter, and recaptures
10 41 of grants or loans shall be deposited in the fund.
10 42 Sec. _____. NEW SECTION. 15G.108 ECONOMIC
10 43 DEVELOPMENT MARKETING BOARD == MARKETING STRATEGIES.
10 44 1. a. An economic development marketing board is
10 45 established consisting of seven members and is located
10 46 for administrative purposes within the department.
10 47 The director of the department shall provide office
10 48 space, staff assistance, and necessary supplies and
10 49 equipment for the board. The director shall budget
10 50 moneys to pay the compensation and expenses of the
11 1 board. In performing its functions, the board is
11 2 performing a public function on behalf of the state
11 3 and is a public instrumentality of the state.
11 4 b. The membership of the board shall consist of
11 5 seven members appointed by the governor, subject to
11 6 confirmation by the senate. Five of the members shall
11 7 have significant demonstrated experience in marketing
11 8 or advertising. Two members of the board shall also
11 9 be members of the grow Iowa values board.
11 10 c. The appointments shall comply with sections
11 11 69.16 and 69.16A.
11 12 d. The chairperson and vice chairperson of the
11 13 board shall be elected by and from the board members.
11 14 In case of the absence or disability of the
11 15 chairperson and vice chairperson, the members of the
11 16 board shall elect a temporary chairperson by a
11 17 majority vote of those members who are present and
11 18 voting.
11 19 e. The members shall be appointed to three-year
11 20 staggered terms and the terms shall commence and end
11 21 as provided by section 69.19. If a vacancy occurs, a
11 22 successor shall be appointed to serve the unexpired
11 23 term. A successor shall be appointed in the same
11 24 manner and subject to the same qualifications as the
11 25 original appointment to serve the unexpired term.
11 26 f. A majority of the board constitutes a quorum.
11 27 2. The board shall administer and implement the
11 28 approval process for marketing strategies provided in
11 29 subsection 3.
11 30 3. The economic development marketing board shall
11 31 accept proposals for marketing strategies for purposes
11 32 of selecting a strategy for the department to
11 33 administer. The marketing strategies shall be
11 34 designed to market Iowa as a lifestyle, increase the
11 35 population of the state, increase the wealth of
11 36 Iowans, and expand and stimulate the state economy.
11 37 The economic development marketing board shall submit
11 38 a recommendation regarding the proposal to the grow
11 39 Iowa values board. In selecting a marketing strategy
11 40 for recommendation, the economic development marketing
11 41 board shall base the selection on the goals and
11 42 performance measures provided in section 15G.106. The
11 43 grow Iowa values board shall either approve or deny
11 44 the recommendation.
11 45 4. The department shall implement and administer
11 46 the marketing strategy approved by the grow Iowa
11 47 values board as provided in subsection 3. The
11 48 department shall provide the economic development
11 49 marketing board with assistance in implementing
11 50 administrative functions of the board and provide
12 1 technical assistance to the board.
12 2 5. The members of the board are entitled to
12 3 receive reimbursement for actual expenses incurred
12 4 while engaged in the performance of official duties.
12 5 A board member may also be eligible to receive
12 6 compensation as provided in section 7E.6.
12 7 Sec. _____. NEW SECTION. 15G.109 FUTURE

12 8 CONSIDERATION.

12 9 Not later than February 1, 2007, the legislative
12 10 services agency shall prepare and deliver to the
12 11 secretary of the senate and the chief clerk of the
12 12 house of representatives identical bills that repeal
12 13 the provisions of this chapter. It is the intent of
12 14 this section that the general assembly shall bring the
12 15 bill to a vote in either the senate or the house of
12 16 representatives expeditiously. It is further the
12 17 intent of this chapter that if the bill is approved by
12 18 the first house in which it is considered, it shall
12 19 expeditiously be brought to a vote in the second
12 20 house.

12 21 DIVISION ____

12 22 VALUE=ADDED AGRICULTURAL PRODUCTS AND PROCESSES

12 23 FINANCIAL ASSISTANCE PROGRAM

12 24 Sec. _____. Section 15E.111, subsection 1, Code
12 25 2003, is amended to read as follows:

12 26 1. a. The department shall establish a value=
12 27 added agricultural products and processes financial
12 28 assistance program. The department shall consult with
12 29 the Iowa corn growers association and the Iowa soybean
12 30 association Iowa commodity groups. The purpose of the
12 31 program is to encourage the increased utilization of
12 32 agricultural commodities produced in this state. The
12 33 program shall assist in efforts to revitalize rural
12 34 regions of this state, by committing resources to
12 35 provide financial assistance to new or existing value=
12 36 added production facilities. The department of
12 37 economic development may consult with other state
12 38 agencies regarding any possible future environmental,
12 39 health, or safety issues linked to technology related
12 40 to the biotechnology industry. In awarding financial
12 41 assistance, the department shall prefer producer=
12 42 owned, value-added businesses and public and private
12 43 joint ventures involving an institution of higher
12 44 learning under the control of the state board of
12 45 regents or a private college or university acquiring
12 46 assets, research facilities, and leveraging moneys in
12 47 a manner that meets the goals of the grow Iowa values
12 48 fund and shall commit resources to assist the
12 49 following:

12 50 a. (1) Facilities which are involved in the
13 1 development of new innovative products and processes
13 2 related to agriculture. The facility must do either
13 3 of the following: produce a good derived from an
13 4 agricultural commodity, if the good is not commonly
13 5 produced from an agricultural commodity; or use a
13 6 process to produce a good derived from an agricultural
13 7 process, if the process is not commonly used to
13 8 produce the good.

13 9 b. (2) Renewable fuel production facilities. As
13 10 used in this section, "renewable fuel" means an energy
13 11 source which is derived from an organic compound
13 12 capable of powering machinery, including an engine or
13 13 power plant.

13 14 (3) Agricultural business facilities in the
13 15 agricultural biotechnology industry, agricultural
13 16 biomass industry, and alternative energy industry.
13 17 For purposes of this subsection:

13 18 (a) "Agricultural biomass industry" means
13 19 businesses that utilize agricultural commodity crops,
13 20 agricultural by-products, or animal feedstock in the
13 21 production of chemicals, protein products, or other
13 22 high-value products.

13 23 (b) "Agricultural biotechnology industry" means
13 24 businesses that utilize scientifically enhanced plants
13 25 or animals that can be raised by producers and used in
13 26 the production of high-value products.

13 27 (c) "Alternative energy industry" includes
13 28 businesses involved in the production of ethanol,
13 29 including gasoline with a mixture of seventy percent
13 30 or more ethanol, biodiesel, biomass, hydrogen, or in
13 31 the production of wind energy.

13 32 (4) Facilities that add value to Iowa agricultural
13 33 commodities through further processing and development
13 34 of organic products and emerging markets.

13 35 (5) Producer-owned, value-added businesses,
13 36 education of producers and management boards in value=
13 37 added businesses, and other activities that would
13 38 support the infrastructure in the development of

13 39 value-added agriculture. Public and private joint
13 40 ventures involving an institution of higher learning
13 41 under the control of the state board of regents or a
13 42 private college or university to acquire assets,
13 43 research facilities, and leverage moneys in a manner
13 44 that meets the goals of the grow Iowa values fund.
13 45 For purposes of this subsection, "producer-owned,
13 46 value-added business" means a person who holds an
13 47 equity interest in the agricultural business and is
13 48 personally involved in the production of crops or
13 49 livestock on a regular, continuous, and substantial
13 50 basis.

14 1 b. Financial assistance awarded under this section
14 2 may be in the form of a loan, loan guarantee, grant,
14 3 production incentive payment, or a combination of
14 4 financial assistance. The department shall not award
14 5 more than twenty-five percent of the amount allocated
14 6 to the value-added agricultural products and processes
14 7 financial assistance fund during any fiscal year to
14 8 support a single person. The department may finance
14 9 any size of facility. However, the department shall
14 10 may reserve up to fifty percent of the total amount
14 11 allocated to the fund, for purposes of assisting
14 12 persons requiring one five hundred thousand dollars or
14 13 less in financial assistance. The amount shall be
14 14 reserved until the end of the third quarter of the
14 15 fiscal year. The department shall not provide
14 16 financial assistance to support a value-added
14 17 production facility if the facility or a person owning
14 18 a controlling interest in the facility has
14 19 demonstrated a continuous and flagrant disregard for
14 20 the health and safety of its employees or the quality
14 21 of the environment. Evidence of such disregard shall
14 22 include a history of serious or uncorrected violations
14 23 of state or federal law protecting occupational health
14 24 and safety or the environment, including but not
14 25 limited to serious or uncorrected violations of
14 26 occupational safety and health standards enforced by
14 27 the division of labor services of the department of
14 28 workforce development pursuant to chapter 84A, or
14 29 rules enforced by the department of natural resources
14 30 pursuant to chapter 455B or 459, subchapters II and
14 31 III.

14 32 DIVISION ____
14 33 ENDOW IOWA GRANTS

14 34 Sec. ____ NEW SECTION. 15E.301 SHORT TITLE.
14 35 This division shall be known as and may be cited as
14 36 the "Endow Iowa Program Act".

14 37 Sec. ____ NEW SECTION. 15E.302 PURPOSE.
14 38 The purpose of this division is to enhance the
14 39 quality of life for citizens of this state through
14 40 increased philanthropic activity by providing capital
14 41 to new and existing citizen groups of this state
14 42 organized to establish endowment funds that will
14 43 address community needs. The purpose of this division
14 44 is also to encourage individuals, businesses, and
14 45 organizations to invest in community foundations.

14 46 Sec. ____ NEW SECTION. 15E.303 DEFINITIONS.

14 47 As used in this division, unless the context
14 48 otherwise requires:

14 49 1. "Board" means the governing board of the lead
14 50 philanthropic entity identified by the department
15 1 pursuant to section 15E.304.

15 2 2. "Business" means a business operating within
15 3 the state and includes individuals operating a sole
15 4 proprietorship or having rental, royalty, or farm
15 5 income in this state and includes a consortium of
15 6 businesses.

15 7 3. "Community affiliate organization" means a
15 8 group of five or more community leaders or advocates
15 9 organized for the purpose of increasing philanthropic
15 10 activity in an identified community or geographic area
15 11 in this state with the intention of establishing a
15 12 community affiliate endowment fund.

15 13 4. "Endowment gift" means an irrevocable
15 14 contribution to a permanent endowment held by a
15 15 qualified community foundation.

15 16 5. "Lead philanthropic entity" means the entity
15 17 identified by the department pursuant to section
15 18 15E.304.

15 19 6. "Qualified community foundation" means a

15 20 community foundation organized or operating in this
15 21 state that meets or exceeds the national standards
15 22 established by the national council on foundations.
15 23 Sec. ____ NEW SECTION. 15E.304 ENDOW IOWA
15 24 GRANTS.

15 25 1. The department shall identify a lead
15 26 philanthropic entity for purposes of encouraging the
15 27 development of qualified community foundations in this
15 28 state. A lead philanthropic entity shall meet all of
15 29 the following qualifications:

15 30 a. The entity shall be a nonprofit entity which is
15 31 exempt from federal income taxation pursuant to
15 32 section 501(c)(3) of the Internal Revenue Code.

15 33 b. The entity shall be a statewide organization
15 34 with membership consisting of organizations, such as
15 35 community, corporate, and private foundations, whose
15 36 principal function is the making of grants within the
15 37 state of Iowa.

15 38 c. The entity shall have a minimum of forty
15 39 members and that membership shall include qualified
15 40 community foundations.

15 41 2. A lead philanthropic entity may receive a grant
15 42 from the department. The board shall use the grant
15 43 moneys to award endow Iowa grants to new and existing
15 44 qualified community foundations and to community
15 45 affiliate organizations that do all of the following:

15 46 a. Provide the board with all information required
15 47 by the board.

15 48 b. Demonstrate a dollar=for=dollar funding match
15 49 in a form approved by the board.

15 50 c. Identify a qualified community foundation to
16 1 hold all funds. A qualified community foundation
16 2 shall not be required to meet this requirement.

16 3 d. Provide a plan to the board demonstrating the
16 4 method for distributing grant moneys received from the
16 5 board to organizations within the community or
16 6 geographic area as defined by the qualified community
16 7 foundation or the community affiliate organization.

16 8 3. Endow Iowa grants awarded to new and existing
16 9 qualified community foundations and to community
16 10 affiliate organizations shall not exceed twenty=five
16 11 thousand dollars per foundation or organization unless
16 12 a foundation or organization demonstrates a multiple
16 13 county or regional approach. Endow Iowa grants may be
16 14 awarded on an annual basis with not more than three
16 15 grants going to one county in a fiscal year.

16 16 4. In ranking applications for grants, the board
16 17 shall consider a variety of factors including the
16 18 following:

16 19 a. The demonstrated need for financial assistance.

16 20 b. The potential for future philanthropic activity
16 21 in the area represented by or being considered for
16 22 assistance.

16 23 c. The proportion of the funding match being
16 24 provided.

16 25 d. For community affiliate organizations, the
16 26 demonstrated need for the creation of a community
16 27 affiliate endowment fund in the applicant's geographic
16 28 area.

16 29 e. The identification of community needs and the
16 30 manner in which additional funding will address those
16 31 needs.

16 32 f. The geographic diversity of awards.

16 33 5. Of any moneys received by a lead philanthropic
16 34 entity from the state, not more than five percent of
16 35 such moneys shall be used by the entity for
16 36 administrative purposes.

16 37 Sec. ____ NEW SECTION. 15E.306 REPORTS ==
16 38 AUDITS.

16 39 By January 31 of each year, the lead philanthropic
16 40 entity, in cooperation with the department, shall
16 41 publish an annual report of the activities conducted
16 42 pursuant to this division during the previous calendar
16 43 year and shall submit the report to the governor and
16 44 the general assembly. The annual report shall include
16 45 a listing of endowment funds and the amount of tax
16 46 credits authorized by the department.

16 47 Sec. ____ EFFECTIVE AND RETROACTIVE APPLICABILITY
16 48 DATES. This division of this Act, being deemed of
16 49 immediate importance, takes effect upon enactment and
16 50 is retroactively applicable to January 1, 2003, for

17 1 tax years beginning on or after that date.
17 2 DIVISION ____
17 3 COMMERCIALIZATION OF RESEARCH ISSUES
17 4 Sec. _____. Section 262.9, Code 2003, is amended by
17 5 adding the following new subsection:
17 6 NEW SUBSECTION. 29. By January 15 of each year,
17 7 submit a report to the governor, through the director
17 8 of technology in the office of the governor, and the
17 9 general assembly containing information from the
17 10 previous calendar year regarding all of the following:
17 11 a. Patents secured or applied for by each
17 12 university under the control of the board delineated
17 13 by university and by faculty member and staff member
17 14 responsible for the research or activity that resulted
17 15 in the patent. In the initial report filed by January
17 16 15, 2004, the board shall include an inventory of
17 17 patent portfolios with details concerning which
17 18 patents are creating financial benefit and the amount
17 19 of financial benefit and which patents are not
17 20 creating financial benefit and the amount invested in
17 21 those patents.
17 22 b. Research grants secured by each university
17 23 under the control of the board from both public and
17 24 private sources delineated by university and by
17 25 faculty member and staff member. The board shall also
17 26 include the same information for grant applications
17 27 that are denied.
17 28 c. The number of faculty members and staff members
17 29 at each university under the control of the board
17 30 involved in a start-up company.
17 31 d. The number of grant applications for research
17 32 received by each university under the control of the
17 33 board for start-up companies, the number of
17 34 applications approved, and the number of applications
17 35 denied.
17 36 e. The number of agreements entered into by
17 37 faculty members and staff members at each university
17 38 under the control of the board with foundations
17 39 affiliated with the universities relating to business
17 40 start-ups.
17 41 f. An accounting of the financial gain received by
17 42 each university under the control of the board
17 43 relating to patents sold, royalties received,
17 44 licensing fees, and any other remuneration received by
17 45 the university related to technology transfer.
17 46 g. The number of professional employees at each
17 47 university under the control of the board who assist
17 48 in the transfer of technology and research to
17 49 commercial application.
17 50 Sec. _____. Section 262B.1, Code 2003, is amended to
18 1 read as follows:
18 2 262B.1 TITLE.
18 3 This chapter shall be known and may be cited as the
18 4 ~~"University-Based Research and Economic Development~~
18 5 ~~"Commercialization of Research for Iowa Act"~~.
18 6 Sec. _____. Section 262B.2, Code 2003, is amended by
18 7 striking the section and inserting in lieu thereof the
18 8 following:
18 9 262B.2 LEGISLATIVE INTENT.
18 10 It is the intent of the general assembly that the
18 11 three universities under the control of the state
18 12 board of regents have as part of their mission the use
18 13 of their universities' expertise to expand and
18 14 stimulate economic growth across the state. This
18 15 activity may be accomplished through a wide variety of
18 16 partnerships, public and private joint ventures, and
18 17 cooperative endeavors, primarily in the area of high
18 18 technology, and may result in investments by the
18 19 private sector for commercialization of the
18 20 technology. It is imperative that the investments and
18 21 job creation be in Iowa, but need not be in the
18 22 proximity of the universities. The purpose is to
18 23 expand and stimulate Iowa's economy, increase the
18 24 wealth of Iowans, and increase the population of Iowa,
18 25 which may be accomplished through research conducted
18 26 within the state that will competitively position Iowa
18 27 on an economic basis with other states and create
18 28 high-wage, high-growth employers and jobs. It is also
18 29 the intent of the general assembly that real or
18 30 virtual research parks will be established and
18 31 maintained by the universities in close enough

18 32 proximity to the ventures that cooperation between the
18 33 academic, research, and commercialization phases will
18 34 be encouraged. It is the intent of the general
18 35 assembly that satellites of the research parks will
18 36 expand and stimulate economic growth in other areas of
18 37 the state.

18 38 Sec. _____. Section 262B.3, Code 2003, is amended to
18 39 read as follows:

18 40 262B.3 ~~ESTABLISHMENT OF CONSORTIUM~~ DUTIES AND
18 41 RESPONSIBILITIES.

18 42 1. ~~The state board of regents or the universities~~
18 43 ~~under its jurisdiction, as part of its mission and~~
18 44 ~~strategic plan, shall establish consortiums mechanisms~~
18 45 for the purpose of carrying out the intent of this
18 46 chapter. ~~The majority of consortium members shall be~~
18 47 ~~from the university community and the balance of~~
18 48 ~~members shall be from private industry. The members~~
18 49 ~~of the consortium shall be appointed by the president~~
18 50 ~~of the convening university and will serve at the~~
19 1 ~~pleasure of the president. In addition to other board~~
19 2 ~~initiatives, the board shall work with the department~~
19 3 ~~of economic development, other state agencies, and the~~
19 4 ~~private sector to facilitate the commercialization of~~
19 5 ~~research.~~

19 6 2. Activities to implement this chapter may
19 7 include:

- 19 8 a. ~~Developing strategies to market university~~
19 9 ~~research for commercialization in Iowa.~~
- 19 10 b. ~~Matching university resources with the needs of~~
19 11 ~~existing Iowa firms or start-up opportunities.~~
- 19 12 c. ~~Evaluating university research for~~
19 13 ~~commercialization potential, where relevant.~~
- 19 14 d. ~~Developing a plan to improve private sector~~
19 15 ~~access to the university licenses and patent~~
19 16 ~~information and the transfer of technology from the~~
19 17 ~~university to the private sector.~~
- 19 18 e. ~~Disseminating information on research~~
19 19 ~~activities of the university.~~
- 19 20 f. ~~Identifying research needs of existing Iowa~~
19 21 ~~businesses and recommending ways in which the~~
19 22 ~~universities can meet these needs.~~
- 19 23 g. ~~Linking research and instruction activities to~~
19 24 ~~economic development.~~
- 19 25 h. ~~Reviewing and monitoring activities related to~~
19 26 ~~technology transfer.~~
- 19 27 i. ~~Coordinating activities to facilitate a focus~~
19 28 ~~on research in the state's targeted industry clusters.~~
- 19 29 j. ~~Surveying of similar activities in other states~~
19 30 ~~and at other universities.~~
- 19 31 k. ~~Establishing a single point of contact to~~
19 32 ~~facilitate commercialization of research.~~

19 33 Sec. _____. Section 262B.5, Code 2003, is amended to
19 34 read as follows:

19 35 262B.5 ~~REGENTS AND DEPARTMENT OF ECONOMIC~~
19 36 ~~DEVELOPMENT REPORTING.~~

19 37 ~~The state board of regents and the Iowa department~~
19 38 ~~of economic development shall enter into an agreement~~
19 39 ~~under chapter 28E to coordinate and facilitate the~~
19 40 ~~activities of the consortiums. The state board of~~
19 41 ~~regents and with input from the Iowa department of~~
19 42 ~~economic development shall report annually to the~~
19 43 ~~governor and the general assembly concerning the~~
19 44 ~~activities of the consortiums conducted pursuant to~~
19 45 ~~this chapter.~~

19 46 Sec. _____. NEW SECTION. 262B.6 DIRECTOR OF
19 47 TECHNOLOGY == TECHNOLOGY TRANSFER AGENTS.

19 48 1. The governor shall appoint a director of
19 49 technology to serve within the office of the governor.
19 50 A position is created for a deputy director of
20 1 technology within the office of the governor. The
20 2 director and the deputy director shall be responsible
20 3 for advancing technology transfer and
20 4 commercialization issues in the state and shall
20 5 coordinate the related activities at the institutions
20 6 of higher learning under the control of the state
20 7 board of regents. The director shall have
20 8 demonstrated expertise and experience in the areas of
20 9 business, industry, and academics.

20 10 2. Each institution of higher learning under the
20 11 control of the state board of regents shall designate
20 12 an employee to serve as a technology transfer agent to

20 13 coordinate the activities of the institution with the
20 14 director of technology within the office of the
20 15 governor.

20 16 3. By December 1, 2004, the director shall conduct
20 17 a study and develop recommendations for the
20 18 advancement of technology transfer and
20 19 commercialization issues. The director shall compile
20 20 and submit the recommendations in written form to the
20 21 general assembly by December 1, 2004. The
20 22 recommendations shall include specific and detailed
20 23 proposed amendments to the Code of Iowa necessary to
20 24 advance the proposed recommendations.

20 25 Sec. _____. Section 262B.4, Code 2003, is repealed.

20 26 DIVISION ____

20 27 IOWA ECONOMIC DEVELOPMENT

20 28 LOAN AND CREDIT GUARANTEE FUND

20 29 Sec. _____. NEW SECTION. 15E.221 SHORT TITLE.

20 30 This division shall be known and may be cited as
20 31 the "Iowa Economic Development Loan and Credit
20 32 Guarantee Fund Act".

20 33 Sec. _____. NEW SECTION. 15E.222 LEGISLATIVE
20 34 FINDING == PURPOSES.

20 35 1. The general assembly finds all of the
20 36 following:

20 37 a. That small and medium-sized businesses, in
20 38 general, and certain targeted industry businesses and
20 39 other qualified businesses, in particular, may not
20 40 qualify for conventional financing.

20 41 b. That the limited availability of credit for
20 42 export transactions limits the ability of small and
20 43 medium-sized businesses in this state to compete in
20 44 international markets.

20 45 c. That, to enhance competitiveness and foster
20 46 economic development, this state must focus on growth
20 47 in certain specific targeted industry businesses and
20 48 other qualified businesses, especially during a time
20 49 of war.

20 50 d. That the challenge for the public economic
21 1 sector is to create an atmosphere conducive to
21 2 economic growth, in conjunction with financial
21 3 institutions in the private sector, which fill the
21 4 gaps in credit availability and export finance, and
21 5 that allow the private sector to identify the lending
21 6 opportunities and foster decision making at the local
21 7 level.

21 8 2. The general assembly declares the purposes of
21 9 this division to be all of the following:

21 10 a. To create incentives and assistance to increase
21 11 the flow of private capital to targeted industry
21 12 businesses and other qualified businesses.

21 13 b. To promote industrial modernization and
21 14 technology adoption.

21 15 c. To encourage the retention and creation of
21 16 jobs.

21 17 d. To encourage the export of goods and services
21 18 sold by Iowa businesses in national and international
21 19 markets.

21 20 Sec. _____. NEW SECTION. 15E.223 DEFINITIONS.

21 21 As used in this division, unless the context
21 22 otherwise requires:

21 23 1. "Financial institution" means an institution
21 24 listed in section 422.61, subsection 1, or such other
21 25 financial institution as defined by the department for
21 26 purposes of this division.

21 27 2. "Program" means the loan and credit guarantee
21 28 program established in this division.

21 29 3. "Qualified business" means an existing or
21 30 proposed business entity with an annual average number
21 31 of employees not exceeding two hundred employees.
21 32 "Qualified business" does not include businesses
21 33 engaged primarily in retail sales, real estate, or the
21 34 provision of health care or other professional
21 35 services. "Qualified business" includes professional
21 36 services businesses that provide services to targeted
21 37 industry businesses or other entities.

21 38 4. "Targeted industry business" means an existing
21 39 or proposed business entity, including an emerging
21 40 small business or qualified business which is operated
21 41 for profit and which has a primary business purpose of
21 42 doing business in at least one of the targeted
21 43 industries designated by the department which include

21 44 life sciences, software and information technology,
21 45 advanced manufacturing, value-added agriculture, and
21 46 any other industry designated as a targeted industry
21 47 by the loan and credit guarantee advisory board.

21 48 Sec. _____. NEW SECTION. 15E.224 LOAN AND CREDIT
21 49 GUARANTEE PROGRAM.

21 50 1. The department shall, with the advice of the
22 1 loan and credit guarantee advisory board, establish
22 2 and administer a loan and credit guarantee program.
22 3 The department, pursuant to agreements with financial
22 4 institutions, shall provide loan and credit
22 5 guarantees, or other forms of credit guarantees for
22 6 qualified businesses and targeted industry businesses
22 7 for eligible project costs. A loan or credit
22 8 guarantee provided under the program may stand alone
22 9 or may be used in conjunction with or to enhance other
22 10 loans or credit guarantees, offered by private, state,
22 11 or federal entities. The department may purchase
22 12 insurance to cover defaulted loans meeting the
22 13 requirements of the program. However, the department
22 14 shall not in any manner directly or indirectly pledge
22 15 the credit of the state. Eligible project costs
22 16 include expenditures for productive equipment and
22 17 machinery, working capital for operations and export
22 18 transactions, research and development, marketing, and
22 19 such other costs as the department may so designate.

22 20 2. A loan or credit guarantee or other form of
22 21 credit guarantee provided under the program to a
22 22 participating financial institution for a single
22 23 qualified business or targeted industry business shall
22 24 not exceed one million dollars in value. Loan or
22 25 credit guarantees or other forms of credit guarantees
22 26 provided under the program to more than one
22 27 participating financial institution for a single
22 28 qualified business or targeted industry business shall
22 29 not exceed ten million dollars in value.

22 30 3. In administering the program, the department
22 31 shall consult and cooperate with financial
22 32 institutions in this state and with the loan and
22 33 credit guarantee advisory board. Administrative
22 34 procedures and application procedures, as practicable,
22 35 shall be responsive to the needs of qualified
22 36 businesses, targeted industry businesses, and
22 37 financial institutions, and shall be consistent with
22 38 prudent investment and lending practices and criteria.

22 39 4. Each participating financial institution shall
22 40 identify and underwrite potential lending
22 41 opportunities with qualified businesses and targeted
22 42 industry businesses. Upon a determination by a
22 43 participating financial institution that a qualified
22 44 business or targeted industry business meets the
22 45 underwriting standards of the financial institution,
22 46 subject to the approval of a loan or credit guarantee,
22 47 the financial institution shall submit the
22 48 underwriting information and a loan or credit
22 49 guarantee application to the department.

22 50 5. The department, with the advice of the loan and
23 1 credit guarantee advisory board, shall adopt a loan or
23 2 credit guarantee application procedure for a financial
23 3 institution on behalf of a qualified business or
23 4 targeted industry business.

23 5 6. Upon approval of a loan or credit guarantee,
23 6 the department shall enter into a loan or credit
23 7 guarantee agreement with the participating financial
23 8 institution. The agreement shall specify all of the
23 9 following:

23 10 a. The fee to be charged to the financial
23 11 institution.

23 12 b. The evidence of debt assurance of, and security
23 13 for, the loan or credit guarantee.

23 14 c. A loan or credit guarantee that does not exceed
23 15 fifteen years.

23 16 d. Any other terms and conditions considered
23 17 necessary or desirable by the department.

23 18 7. The department, with the advice of the loan and
23 19 credit guarantee advisory board, may adopt loan and
23 20 credit guarantee application procedures that allow a
23 21 qualified business or targeted industry business to
23 22 apply directly to the department for a preliminary
23 23 guarantee commitment. A preliminary guarantee
23 24 commitment may be issued by the department subject to

23 25 the qualified business or targeted industry business
23 26 securing a commitment for financing from a financial
23 27 institution. The application procedures shall specify
23 28 the process by which a financial institution may
23 29 obtain a final loan and credit guarantee.
23 30 Sec. _____. NEW SECTION. 15E.225 TERMS == FEES.
23 31 1. When entering into a loan or credit guarantee
23 32 agreement, the department, with the advice of the loan
23 33 and credit guarantee advisory board, shall establish
23 34 fees and other terms for participation in the program
23 35 by qualified businesses and targeted industry
23 36 businesses.
23 37 2. The department, with due regard for the
23 38 possibility of losses and administrative costs and
23 39 with the advice of the loan and credit guarantee
23 40 advisory board, shall set fees and other terms at
23 41 levels sufficient to assure that the program is self=
23 42 financing.
23 43 3. For a preliminary guarantee commitment, the
23 44 department may charge a qualified business or targeted
23 45 industry business a preliminary guarantee commitment
23 46 fee. The application fee shall be in addition to any
23 47 other fees charged by the department under this
23 48 section and shall not exceed one thousand dollars for
23 49 an application.
23 50 Sec. _____. NEW SECTION. 15E.226 LOAN AND CREDIT
24 1 GUARANTEE ADVISORY BOARD.
24 2 A loan and credit guarantee advisory board is
24 3 established consisting of seven members appointed by
24 4 the governor, subject to confirmation by the senate.
24 5 The advisory board shall provide the department with
24 6 technical advice regarding the administration of the
24 7 program, including the adoption of administrative
24 8 rules pursuant to chapter 17A. The advisory board
24 9 shall review and provide recommendations regarding all
24 10 applications under the program. Members of the
24 11 advisory board are entitled to receive reimbursement
24 12 for actual expenses incurred while engaged in the
24 13 performance of official duties. Advisory board
24 14 members may also be eligible to receive compensation
24 15 as provided in section 7E.6. The director of the
24 16 department shall budget moneys to pay the compensation
24 17 and expenses of the advisory board. The provisions of
24 18 this section relating to the adoption of
24 19 administrative rules shall be construed narrowly.
24 20 DIVISION ____
24 21 ECONOMIC DEVELOPMENT ASSISTANCE AND DATA COLLECTION
24 22 Sec. _____. NEW SECTION. 15E.118 BUSINESS START=UP
24 23 INFORMATION == INTERNET WEB SITE.
24 24 The department shall provide information through an
24 25 internet web site and a toll-free telephone service to
24 26 assist persons interested in establishing a commercial
24 27 facility or engaging in a commercial activity. The
24 28 information shall include all of the following:
24 29 1. Assistance, information, and guidance for
24 30 start-up businesses.
24 31 2. Information gathered by the department pursuant
24 32 to section 15E.17, subsection 2.
24 33 3. Personal and corporate income tax information.
24 34 4. Information regarding financial assistance and
24 35 incentives available to businesses.
24 36 5. Workforce availability in the state presented
24 37 in a regional format.
24 38 Sec. _____. NEW SECTION. 15E.119 ECONOMIC
24 39 DEVELOPMENT=RELATED DATA COLLECTION.
24 40 1. The department shall interview any business
24 41 that considered locating in Iowa but decided to locate
24 42 elsewhere. The department shall attempt to determine
24 43 factors that affected the location decision of the
24 44 business.
24 45 2. The department shall interview any business
24 46 that closes major operations in the state or dissolves
24 47 the business's corporate status in an effort to
24 48 identify factors that led to the closure or
24 49 dissolution.
24 50 3. By January 15 of each year, the department
25 1 shall submit a written report to the general assembly
25 2 that summarizes the information collected pursuant to
25 3 this section and provides suggested amendments to the
25 4 Code of Iowa and the Iowa administrative code designed
25 5 to stimulate and expand the state's economy.

25 6 Sec. ____ INTERNET WEB SITE DEVELOPMENT. In
25 7 developing the internet web site required in section
25 8 15E.118, the department of economic development shall
25 9 examine similar efforts in other states and
25 10 incorporate the best practices.

25 11 DIVISION ____
25 12 CULTURAL AND ENTERTAINMENT DISTRICTS

25 13 Sec. ____ NEW SECTION. 303.3B CULTURAL AND
25 14 ENTERTAINMENT DISTRICTS.

25 15 1. The department of cultural affairs shall
25 16 establish and administer a cultural and entertainment
25 17 district certification program. The program shall
25 18 encourage the growth of communities through the
25 19 development of areas within a city or county for
25 20 public and private uses related to cultural and
25 21 entertainment purposes.

25 22 2. A city or county may create and designate a
25 23 cultural and entertainment district subject to
25 24 certification by the department of cultural affairs,
25 25 in consultation with the department of economic
25 26 development. A cultural and entertainment district
25 27 shall consist of a geographic area not exceeding one
25 28 square mile in size. A cultural and entertainment
25 29 district certification shall remain in effect for ten
25 30 years following the date of certification. Two or
25 31 more cities or counties may apply jointly for
25 32 certification of a district that extends across a
25 33 common boundary. Through the adoption of
25 34 administrative rules, the department of cultural
25 35 affairs shall develop a certification application for
25 36 use in the certification process. The provisions of
25 37 this subsection relating to the adoption of
25 38 administrative rules shall be construed narrowly.

25 39 3. The department of cultural affairs shall
25 40 encourage development projects and activities located
25 41 in certified cultural and entertainment districts
25 42 through incentives under cultural grant programs
25 43 pursuant to section 303.3, chapter 303A, and any other
25 44 grant programs.

25 45 DIVISION ____
25 46 UNIVERSITY=BASED RESEARCH UTILIZATION PROGRAM

25 47 Sec. ____ NEW SECTION. 262B.11 UNIVERSITY=BASED
25 48 RESEARCH UTILIZATION PROGRAM.

25 49 1. The department of economic development shall
25 50 establish and administer a university=based research
26 1 utilization program for purposes of encouraging the
26 2 utilization of university=based research, primarily in
26 3 the area of high technology, in new or existing
26 4 businesses. The program shall include the three
26 5 universities under the control of the state board of
26 6 regents and all accredited private universities
26 7 located in the state.

26 8 2. A new or existing business that utilizes a
26 9 technology developed by an employee at a university
26 10 under the control of the state board of regents may
26 11 apply to the department of economic development for
26 12 approval to participate in the university=based
26 13 research utilization program. The department shall
26 14 approve an applicant if the applicant meets all of the
26 15 following criteria:

26 16 a. The applicant utilizes a technology developed
26 17 by an employee at a university under the control of
26 18 the state board of regents, provided that the
26 19 technology has received a patent after the effective
26 20 date of this Act. If the applicant has been in
26 21 existence more than one year prior to applying, the
26 22 applicant shall organize a separate company to utilize
26 23 the technology. For purposes of this section, the
26 24 separate company shall be considered the applicant
26 25 and, if approved, the approved business.

26 26 b. The applicant develops a five-year business
26 27 plan approved by the department. The plan shall
26 28 include information concerning the applicant's Iowa
26 29 employment goals and projected impact on the Iowa
26 30 economy. The department shall only approve plans
26 31 showing sufficient potential impact on Iowa employment
26 32 and economic development.

26 33 c. The applicant meets a minimum-size business
26 34 standard determined by the department.

26 35 d. The applicant provides annual reports to the
26 36 department that include employment statistics for the

26 37 applicant and the total taxable wages paid to Iowa
26 38 employees and reported to the department of revenue
26 39 and finance pursuant to section 422.16.
26 40 3. A business approved under the program and the
26 41 university employee responsible for the development of
26 42 the technology utilized by the approved business shall
26 43 be eligible for a tax credit. The credit shall be
26 44 allowed against the taxes imposed in chapter 422,
26 45 divisions II and III. An individual may claim a tax
26 46 credit under this section of a partnership, limited
26 47 liability company, S corporation, estate, or trust
26 48 electing to have income taxed directly to the
26 49 individual. The amount claimed by the individual
26 50 shall be based upon the pro rata share of the
27 1 individual's earnings from the partnership, limited
27 2 liability company, S corporation, estate, or trust. A
27 3 tax credit shall not be claimed under this subsection
27 4 unless a tax credit certificate issued by the
27 5 department of economic development is attached to the
27 6 taxpayer's tax return for the tax year for which the
27 7 tax credit is claimed. The amount of a tax credit
27 8 allowed under this subsection shall equal the amount
27 9 listed on a tax credit certificate issued by the
27 10 department of economic development pursuant to
27 11 subsection 4. A tax credit certificate shall not be
27 12 transferable. Any tax credit in excess of the
27 13 taxpayer's liability for the tax year may be credited
27 14 to the taxpayer's tax liability for the following five
27 15 years or until depleted, whichever occurs first. A
27 16 tax credit shall not be carried back to a tax year
27 17 prior to the tax year in which the taxpayer redeems
27 18 the tax credit.
27 19 4. For the five tax years following the tax year
27 20 in which a business is approved under the program, the
27 21 department of revenue and finance shall provide the
27 22 department of economic development with information
27 23 required by the department of economic development
27 24 from each tax return filed by the approved business.
27 25 Upon receiving the tax return-related information, the
27 26 department of economic development shall do all of the
27 27 following:
27 28 a. Review the information provided by the
27 29 department of revenue and finance pursuant to this
27 30 subsection and the annual report submitted by the
27 31 applicant pursuant to subsection 2, paragraph "d". If
27 32 the department determines that the business activities
27 33 of the applicant are not providing the benefits to
27 34 Iowa employment and economic development projected in
27 35 the applicant's approved five-year business plan, the
27 36 department shall not issue tax credit certificates for
27 37 that year to the applicant or university employee and
27 38 shall determine any related university share to be
27 39 equal to zero for that year.
27 40 b. Effective for the fiscal year beginning July 1,
27 41 2004, and for subsequent fiscal years, issue a tax
27 42 credit certificate to the approved business and the
27 43 university employee responsible for the development of
27 44 the technology utilized by the approved business in an
27 45 amount determined pursuant to subsection 5. A tax
27 46 credit certificate shall contain the taxpayer's name,
27 47 address, tax identification number, the amount of the
27 48 tax credit, and other information required by the
27 49 department of revenue and finance.
27 50 c. (1) Determine the university share which is
28 1 equal to the value of thirty percent of the tax
28 2 liability of the approved business for purposes of
28 3 making an appropriation pursuant to section 262B.12,
28 4 if enacted by 2003 Iowa Acts, House File 683 or
28 5 another Act, to the university where the technology
28 6 utilized by the approved business was developed. A
28 7 university share shall not exceed two hundred twenty=
28 8 five thousand dollars per year per technology
28 9 utilized. For each technology utilized, the aggregate
28 10 university share over a five-year period shall not
28 11 exceed six hundred thousand dollars.
28 12 (2) The department shall maintain records for each
28 13 university during each fiscal year regarding the
28 14 university share each university is entitled to
28 15 receive through the appropriation in section 262B.12,
28 16 if enacted by 2003 Iowa Acts, House File 683 or
28 17 another Act. A university shall be entitled to

28 18 receive the total university share for that particular
28 19 university during the previous fiscal year.

28 20 d. For the fiscal year beginning July 1, 2004, not
28 21 more than two million dollars worth of certificates
28 22 shall be issued pursuant to paragraph "b". For the
28 23 fiscal year beginning July 1, 2005, and every fiscal
28 24 year thereafter, not more than ten million dollars
28 25 worth of certificates shall be issued pursuant to
28 26 paragraph "b".

28 27 5. The tax credit certificates issued by the
28 28 department for each of the five years following the
28 29 tax year in which the business is approved under the
28 30 program shall be for the following amounts:

28 31 a. For the approved business, the value of the tax
28 32 credit certificate shall equal thirty percent of the
28 33 tax liability of the approved business. The value of
28 34 a certificate issued to an approved business shall not
28 35 exceed two hundred twenty-five thousand dollars. The
28 36 total aggregate value of certificates issued over a
28 37 five-year period to an approved business shall not
28 38 exceed six hundred thousand dollars.

28 39 b. For the university employee responsible for the
28 40 development of the technology utilized by the approved
28 41 business, the value of the tax credit certificate
28 42 shall equal ten percent of the tax liability of the
28 43 approved business. If more than one employee is
28 44 responsible for the development of the technology, the
28 45 value equal to ten percent of the tax liability of the
28 46 approved business shall be divided equally and
28 47 individual tax credit certificates shall be issued to
28 48 each employee responsible for the development of the
28 49 technology. Each year, the total value of a
28 50 certificate or certificates issued for a utilized
29 1 technology shall not exceed seventy-five thousand
29 2 dollars. For each technology utilized, the total
29 3 aggregate value of certificates issued over a five=
29 4 year period to the university employee responsible for
29 5 the development of the technology shall not exceed two
29 6 hundred thousand dollars.

29 7 6. The department of economic development shall
29 8 notify the department of revenue and finance when a
29 9 tax credit certificate is issued pursuant to
29 10 subsection 4. The notification shall include the name
29 11 and tax identification number appearing on any tax
29 12 credit certificate.

29 13 Sec. _____. NEW SECTION. 422.11H UNIVERSITY=BASED
29 14 RESEARCH UTILIZATION PROGRAM TAX CREDIT.

29 15 The taxes imposed under this division, less the
29 16 credits allowed under sections 422.12 and 422.12B,
29 17 shall be reduced by a university-based research
29 18 utilization program tax credit authorized pursuant to
29 19 section 262B.11.

29 20 Sec. _____. Section 422.33, Code 2003, is amended by
29 21 adding the following new subsection:

29 22 NEW SUBSECTION. 14. The taxes imposed under this
29 23 division shall be reduced by a university-based
29 24 research utilization program tax credit authorized
29 25 pursuant to section 262B.11.>

29 26 #8. Page 65, by inserting after line 15 the
29 27 following:

29 28 <Sec. _____. Section 625A.9, Code 2003, is amended
29 29 to read as follows:

29 30 625A.9 EXECUTION ON UNSTAYED PART OF JUDGMENT ==
29 31 SUPERSEDEAS BOND WAIVED.

29 32 1. The taking of the appeal from part of a
29 33 judgment or order, and the filing of a bond ~~as above~~
29 34 ~~directed~~, does not stay execution as to that part of
29 35 the judgment or order not appealed from.

29 36 2. If the judgment or order appealed from is for
29 37 money, such bond shall not exceed one hundred ten
29 38 percent of the amount of the money judgment.

29 39 3. Upon motion and for good cause shown, the
29 40 district court may stay all proceedings under the
29 41 order or judgment being appealed and permit the state
29 42 or any of its political subdivisions to appeal a
29 43 judgment or order to the supreme court without the
29 44 filing of a supersedeas bond.>

29 45 #9. By striking page 66, line 46 through page 67,
29 46 line 16.

29 47 #10. Page 67, by inserting after line 44 the
29 48 following:

29 49 <Sec. _____. Section 86.12, Code 2003, is amended to
29 50 read as follows:

30 1 86.12 FAILURE TO REPORT.

30 2 The workers' compensation commissioner may require
30 3 any employer to supply the information required by
30 4 section 86.10 or to file a report required by section
30 5 86.11 or 86.13 or by agency rule, by written demand
30 6 sent to the employer's last known address. Upon
30 7 failure to supply such information or file such report
30 8 within ~~twenty~~ thirty days, the employer may be ordered
30 9 to appear and show cause why the employer should not
30 10 be subject to ~~civil penalty assessment~~ of one ~~hundred~~
30 11 ~~thousand~~ dollars for each occurrence. Upon such
30 12 hearing, the workers' compensation commissioner shall
30 13 enter a finding of fact and may enter an order
30 14 requiring such ~~penalty assessment~~ to be paid into the
30 15 second injury fund created by sections 85.63 to 85.69.
30 16 In the event the ~~civil penalty assessed assessment~~ is
30 17 not voluntarily paid within thirty days the workers'
30 18 compensation commissioner may file a certified copy of
30 19 such finding and order with the clerk of the court for
30 20 the district in which the employer maintains a place
30 21 of business. If the employer maintains no place of
30 22 business in this state service shall be made as
30 23 provided in chapter 85 for nonresident employers. In
30 24 such case the finding and order may be filed in any
30 25 court of competent jurisdiction within this state.

30 26 The workers' compensation commissioner may
30 27 thereafter petition the court for entry of judgment
30 28 upon such order, serving notice of such petition on
30 29 the employer and any other person in default. If the
30 30 court finds the order valid, the court shall enter
30 31 judgment against the person or persons in default for
30 32 the amount due under the order. No fees shall be
30 33 required for the filing of the order or for the
30 34 petition for judgment, or for the entry of judgment or
30 35 for any enforcement procedure thereupon. No
30 36 supersedeas shall be granted by any court to a
30 37 judgment entered under this section.

30 38 When a report is required under section 86.11 or
30 39 86.13 or by agency rule, and ~~that report has been~~
30 40 ~~submitted to the employer's insurance carrier and no~~
30 41 ~~report of injury has been filed with the workers'~~
30 42 ~~compensation commissioner possesses the information~~
30 43 ~~necessary to file the report~~, the insurance carrier
30 44 shall be responsible for filing the report ~~of injury~~
30 45 in the same manner and to the same extent as an
30 46 employer under this section.

30 47 Sec. _____. NEW SECTION. 86.13A COMPLIANCE
30 48 MONITORING AND ENFORCEMENT.

30 49 The workers' compensation commissioner shall
30 50 monitor the rate of compliance of each employer and
31 1 each insurer with the requirement to commence benefit
31 2 payments within the time specified in section 85.30.
31 3 The commissioner shall determine the percentage of
31 4 reported injuries where the statutory standard was met
31 5 and the average number of days that commencement of
31 6 voluntary benefits was delayed for each employer and
31 7 each insurer individually, and for all employers and
31 8 all insurers as separate groups.

31 9 If during any fiscal year commencing after June 30,
31 10 2005, the general business practices of an employer or
31 11 insurer result in the delay of the commencement of
31 12 voluntary weekly compensation payments after the date
31 13 specified in section 85.30 more frequently and for a
31 14 longer number of days than the average number of days
31 15 for the entire group of employers or insurers, the
31 16 commissioner may impose an assessment on the employer
31 17 or insurer payable to the second injury fund created
31 18 in section 85.66. The amount of the assessment shall
31 19 be ten dollars, multiplied by the average number of
31 20 days that weekly compensation payments were delayed
31 21 after the date specified in section 85.30, and
31 22 multiplied by the number of injuries the employer or
31 23 insurer reported during the fiscal year.
31 24 Notwithstanding the foregoing, an assessment shall not
31 25 be imposed if the employer or insurer commenced
31 26 voluntary weekly compensation benefits within the time
31 27 specified in section 85.30 for more than seventy-five
31 28 percent of the injuries reported by the employer or
31 29 insurer.

31 30 The commissioner may waive or reduce an assessment
31 31 under this section if an employer or insurer
31 32 demonstrates to the commissioner that atypical events
31 33 during the fiscal year, including but not limited to a
31 34 small number of cases, made the statistical data for
31 35 that employer or insurer unrepresentative of the
31 36 actual payout practices of the employer or insurer for
31 37 that year.>
31 38 [#11](#). Page 71, by striking lines 11 through 23.
31 39 [#12](#). By striking page 72, line 18, through page
31 40 78, line 20.
31 41 [#13](#). Page 78, lines 33 and 34, by striking the
31 42 words <and school infrastructure assistance,>.
31 43 [#14](#). By renumbering as necessary.
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